

CITY OF CHENEY, KANSAS

FINANCIAL STATEMENT

WITH

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED DECEMBER 31, 2017

George, Bowerman & Noel, P.A.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Cheney, Kansas

Report on the Financial Statement

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of the City of Cheney, Kansas, a Municipal Financial Reporting Entity, as of and for the year ended December 31, 2017 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit and Accounting Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Cheney, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Cheney, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the City of Cheney, Kansas as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures—actual and budget, individual fund schedules of regulatory basis receipts and expenditures—actual and budget, summary schedule of regulatory basis receipts and disbursements—agency funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2016 actual columns presented in the individual fund schedules of receipts and expenditures—actual and budget, (Schedules 2 and 3 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2016 basic financial statement upon which we rendered an unqualified opinion dated August 10, 2017. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note 1.

George, Baumann & Noel, P.A.

Wichita, Kansas
September 12, 2018

CITY OF CHENEY, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS

For the year ended December 31, 2017

	Beginning Unencumbered Cash Balance (Deficit)	Prior Year Canceled Encum- brances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance (Deficit)	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance (Deficit)
General Fund	\$ 828,074	\$ -	\$ 2,319,596	\$ 2,312,266	\$ 835,404	\$ 49,462	\$ 884,866
Special Purpose Funds:							
Library	868	-	64,725	64,725	868	-	868
Gifts and Memorials	6,615	-	13,385	6,933	13,067	-	13,067
Digital Sign	2,648	-	820	713	2,755	-	2,755
DARE Program	1,499	-	4,009	2,840	2,668	-	2,668
Joint Fire	-	-	68,868	9,102	59,766	-	59,766
LWCF Grant	-	-	-	19,490	(19,490) #	-	(19,490)
Waste Tire Playground Grant	-	-	474	474	-	-	-
Bond and Interest Funds:							
Bond and Interest	75,244	-	188,102	171,622	91,724	-	91,724
Capital Project Funds:							
Northridge Estates Water Improvement Project	(9,920) *	-	1,582	-	(8,338) *	-	(8,338)
Capital Improvement Reserve	134,880	-	35,914	-	170,794	-	170,794
Capital Equipment Reserve	104,620	-	50,499	81,171	73,948	-	73,948
Capital Equipment Police Reserve	3,897	-	5,382	2,820	6,459	-	6,459
Capital Equipment Fire Reserve	113,797	-	35,544	3,082	146,259	2,187	148,446
Business Funds:							
Water Utility	325,040	-	380,631	400,315	305,356	1,378	306,734
Sewer Utility	377,754	-	344,192	383,377	338,569	180	338,749
Gas Utility	118,584	-	513,812	526,566	105,830	36,295	142,125
Water Maintenance Reserve	144,086	-	41,033	-	185,119	-	185,119
Sewer Maintenance Reserve	161,060	-	41,155	-	202,215	-	202,215
Gas Maintenance Reserve	289,299	-	2,074	-	291,373	-	291,373
Total Primary Government (excluding agency funds)	2,678,045	-	4,111,797	3,985,496	2,804,346	89,502	2,893,848
Related Municipal Entities:							
Cheney Public Library	69,862	-	90,232	81,789	78,305	-	78,305
Cheney Public Building Commission	-	-	53,613	53,613	-	-	-
Total Reporting Entity (excluding agency funds)	\$ 2,747,907	\$ -	\$ 4,255,642	\$ 4,120,898	\$ 2,882,651	\$ 89,502	\$ 2,972,153

CITY OF CHENEY, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the year ended December 31, 2017

* – Per K.S.A. 10-1116, the limits of indebtedness may be exceeded when provision has been made for payment by the issuance of bonds or temporary notes.
– Per K.S.A. 12-1664, the limits of indebtedness may be exceeded by up to 100% of the accrued revenue for intergovernmental grants.

Composition of Cash:	
Primary Government:	
The Citizens State Bank, Cheney, Kansas:	
General checking now account	\$ 157,052
General checking – Fireman account	59,766
Money market account	1,284,892
Checking account – General	500
Checking account – Cherry Oaks Golf Course	2,000
Certificates of deposit	1,437,392
Cash on hand	<u>70</u>
Total Primary Government	2,941,672
Less Agency Funds	<u>(47,824)</u>
Total Primary Government (excluding agency funds)	<u>2,893,848</u>
Related Municipal Entities:	
Cheney Public Library:	
The Citizens State Bank, Cheney, Kansas	65,441
Money market account	<u>12,864</u>
Certificate of deposit	
Total Cheney Public Library	<u>78,305</u>
Total Reporting Entity (excluding agency funds)	<u>\$ 2,972,153</u>

The accompanying notes are an integral
part of the financial statement.

CITY OF CHENEY, KANSAS
NOTES TO FINANCIAL STATEMENTS

December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Municipal Financial Reporting Entity

The City of Cheney, Kansas is incorporated under the laws of the State of Kansas. The City operates under a Mayor-Council form of City government consisting of an elected Mayor and five council persons and provides services to the citizens in the areas of highways and streets, water service, wastewater treatment, gas service, public improvement, public safety, planning and zoning, recreation, and general administrative services. The City has the following related municipal entities shown on Schedule 3.

Cheney Public Library. A seven-member board appointed by the Mayor with approval by the City Council governs the Cheney Public Library Board. The Cheney Public Library Board operates the public library in the City. The Library Board may not purchase or lease a site or erect a building for use of the library without the approval of the City Council. The Library Board taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. These taxes are accounted for in the Library special purpose fund of the City. The Library Board also receives funding through state assistance programs and donations from the public. The Cheney Public Library does not issue separate audited financial statements.

Cheney Public Building Commission. A five-member board appointed by the City Council governs the Cheney Public Building Commission. Although it is legally separate from the City, the Cheney Public Building Commission is reported as a related municipal entity because its sole purpose is to finance and construct the City's public buildings.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds, each of which is defined as an accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.

In accordance with state statutes, several different types of funds and account groups are used to record the City's financial transactions. For financial reporting, they have been grouped and are presented in this report as follows:

General Fund – The General Fund is used to account for and report all financial resources not accounted for in another fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Special Purpose Funds – used to account for and report the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest Fund – used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest on long-term general obligation debt of governmental funds.

Capital Projects Fund – used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Business Funds – used to account for operations where it is the stated intent that costs of providing that service to the general public on a continuing basis be financed or recovered primarily through user charges.

Agency funds – used to account for assets held by the City as an agent for individuals, private organizations and other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Regulatory basis of accounting and departure from accounting principles generally accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenue and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A.75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Budgetary principles

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless exempted by specific statute), bond and interest fund and business funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. This process requires a notice of public hearing to amend the budget to be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for 2017.

Kansas statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, utility reserve funds and the following special purpose funds:

Gifts and Memorials Fund
Dare Program Fund
LWCF Grant Fund

Digital Sign Fund
Joint Fire Fund
Waste Tire Playground Fund

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated absences

The City's policies regarding vacation pay permits all full-time employees, beginning with the date of employment, to earn one day of vacation per month worked and after fifteen or more years of service employees earn one and one half days per month worked. Part-time employees who work at least 20 hours or more per week earn four hours for each month of employment. No paid vacation leave may be taken in the first six months of employment.

Employees may carry over into a new fiscal year a maximum of 20 days of vacation time unless a special agreement has been reached with the Department Head, City Administrator and the City Council. Upon termination of employment with the City, an employee shall be compensated for all earned but unused vacation leave at their final rate of pay.

All full-time employees earn eight hours of sick leave for each full month of service. Part-time employees who work at least 20 hours or more per week earn four hours of sick leave for each month of employment. Policies allow for a maximum accumulation of 720 hours of sick leave. At termination of employment with the City all unused sick leave is forfeited. The liabilities for accrued compensated absences are based on current salary costs and the vested portion of accumulated benefits.

Pension plan

All full-time employees are members of the State of Kansas Public Employees' Retirement System (KPERs), which is a cost sharing multi-employer statewide pension plan. The City's policy is to fund all pension costs as accrued; such costs to be funded are determined annually by the system's actuary.

Concentration of credit risk

The City routinely grants credit to utility customers, in accordance with applicable utility rate ordinances, all of which are located within the environs of the City. The City does not require security deposits for the credit granted to all utility customers however, tap fees or hook-up charges are assessed by the City when the utility service is provided.

Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Subsequent Events

Subsequent events have been evaluated through September 12, 2018, which is the date the financial statements were available to be issued.

2. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories, which may be used by governmental entities in Kansas. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of Federal Depository Insurance Corporation coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Deposits and investments include amounts in demand deposit, money market, savings and certificate of deposit accounts. Deposits are reported at carrying amounts, which approximate fair value. Cash balances in all funds are considered in determining the amount to be invested and, unless specifically designated, investment income is generally apportioned to the various funds in the ratio of invested balances.

Concentration of credit risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the state of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2017.

At year-end, the carrying amount of the City's deposits was \$2,941,602, with the bank balances of such accounts being \$3,039,572. Of the bank balances, \$312,480 was covered by federal depository insurance and the remaining balance of \$2,727,092 was covered by collateral held by the City's custodial banks in joint custody in the name of the City and its banks. The fair value of those pledged securities held by the City's custodial investment agencies was \$3,614,698 at December 31, 2017.

2. DEPOSITS AND INVESTMENTS (continued)

The Cheney Public Library (Library) cash and investments at December 31, 2017 consisted of money market and savings accounts and certificates of deposit. At year-end, the carrying amount of the Library's deposits was \$78,305 with the bank balances of such accounts being \$78,305. The bank balances were entirely secured by FDIC insurance at December 31, 2017.

3. PENSION PLAN

Plan description

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in the Comprehensive Annual Financial Report that can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Funding policy

K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. The City's contributions to KPERS for the years ending December 31, 2017 and 2016 were \$79,300 and \$84,302, respectively.

3. PENSION PLAN (continued)

Net Pension Liability

At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$739,002. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in the financial statement.

4. LONG-TERM DEBT

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2017:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Refunding Bonds, Series 2011	1.875-2.25	12-15-11	\$ 700,000	11-01-18	\$ 160,000	\$ -	\$ 80,000	\$ 80,000	\$ 3,600
General Obligation Refunding Bonds, Series 2014	2.00-3.50	02-27-14	1,555,000	09-01-26	1,215,000	-	155,000	1,060,000	33,525
Public Building Commission Refunding Revenue Bonds Series 2011	2.00-3.625	12-15-11	575,000	10-01-24	420,000	-	40,000	380,000	13,613
Capital Lease Obligation - Land	4.00	11-15-14	112,950	11-15-19	70,434	-	22,555	47,879	2,594
Capital Lease Obligation - Golf Carts	3.40	10-21-16	131,628	10-15-20	131,628	-	30,161	101,467	8,569
Note Payable to Kansas Department Of Health and Environment	3.79	10-08-08	601,494	08-01-29	421,652	-	25,639	396,013	15,740
Note Payable to Kansas Department Of Health and Environment	2.41	09-01-16	454,937	03-01-36	439,134	-	17,893	421,241	10,463
Total contractual indebtedness					2,857,848	-	371,248	2,486,600	88,104
Compensated absences					63,465	43,495	43,095	63,865	-
Total long-term debt					<u>\$2,921,313</u>	<u>\$ 43,495</u>	<u>\$ 414,343</u>	<u>\$ 2,550,465</u>	<u>\$ 88,104</u>

4. LONG-TERM DEBT (continued)

General obligation bonds

General obligation bonds payable consist of serial and term bonds to be retired through calendar year 2026. Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 240,000	\$ 32,225	\$ 272,225
2019	155,000	27,225	182,225
2020	150,000	24,125	174,125
2021	155,000	19,625	174,625
2022	85,000	14,975	99,975
2023	85,000	12,212	97,212
2024	85,000	9,450	94,450
2025	90,000	6,475	96,475
2026	<u>95,000</u>	<u>3,325</u>	<u>98,325</u>
	<u>\$ 1,140,000</u>	<u>\$ 149,637</u>	<u>\$ 1,289,637</u>

During 2011, the City issued General Obligation Refunding Bonds, Series 2011 in the principal amount of \$700,000. Proceeds from the issue were used to retire the outstanding bonds remaining from the General Obligation Refunding and Improvement Bonds, Series A, 2003. The General Obligation Refunding Bonds, Series 2011, maturing in years 2018 and thereafter, may be called for redemption and payment prior to their stated maturity date on November 1, 2017, and thereafter as a whole or in part at any time, at the redemption price of 100%, plus accrued interest thereon to the redemption date.

During, 2014 the City issued General Obligation Refunding Bonds, Series 2014 in the amount of \$1,555,000 to refund the City's General Obligation Bonds, Series 2004, General Obligation Bonds, Series A 2006 and Kansas Department of Health and Environment wastewater system loan. The General Obligation Refunding Bonds, Series 2014, maturing in years 2022 and thereafter, may be called for redemption and payment prior to their stated maturity date on September 1, 2021, and thereafter as a whole or in part at any time, at the redemption price of 100%, plus accrued interest thereon to the redemption date.

The term bonds with stated maturities of November 1, 2016 and 2018 and September 1, 2023 and 2026 are subject to mandatory redemption and payment prior to stated their maturity date at a redemption price equal to 100% of the principal amount thereon plus accrued interest to the redemption date.

4. LONG-TERM DEBT (continued)

Public Building Commission revenue bonds

Public Building Commission revenue bonds consist of serial bonds to be retired October 1, 2013 through calendar year 2015 and term bonds of \$125,000, \$105,000 and \$230,000 due October 1, 2018, 2020 and 2024, respectively. At December 31, 2017 the revenue bonds consist of the following:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 45,000	\$ 12,612	\$ 57,612
2019	55,000	11,488	66,488
2020	50,000	9,837	59,837
2021	55,000	8,337	63,337
2022	55,000	6,344	61,344
2023	60,000	4,350	64,350
2024	60,000	2,175	62,175
	<u>\$ 380,000</u>	<u>\$ 55,143</u>	<u>\$ 435,143</u>

During 2011, the City issued City of Cheney, Kansas Public Building Commission Refunding Revenue Bonds, Series 2011 in the principal amount of \$575,000. Proceeds from the issue were used to advance refund \$530,000 of the outstanding bonds remaining from the City of Cheney, Kansas Public Building Commission Revenue Bonds, Series 2004.

The City of Cheney, Kansas Public Building Commission Refunding Revenue Bonds, Series 2011, maturing in the years 2020 and thereafter may be called for redemption and payment prior to their stated maturity date on October 1, 2019, and thereafter as a whole or in part at any time, at the redemption price of 100%, plus accrued interest thereon to the redemption date.

The term bonds with stated maturities of October 1, 2018, 2020 and 2024 are subject to mandatory redemption and payment prior to their stated maturity date at a redemption price equal to 100% of the principal amount thereon plus accrued interest to the redemption date.

4. LONG-TERM DEBT (continued)

Capital lease obligations

Capital lease obligations will be retired through calendar year 2020. At December 31, 2017 the capital leases consist of the following:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 55,991	\$ 7,888	\$ 63,879
2019	58,029	5,850	63,879
2020	<u>35,326</u>	<u>3,403</u>	<u>38,729</u>
Total	<u>\$ 149,346</u>	<u>\$ 17,141</u>	<u>\$ 166,487</u>

During 2016, the City Council entered into a lease agreement for golf carts. The golf carts lease agreement provides for annual payments of \$38,730 including interest through May 2020.

During 2014, the City Council entered into a lease agreement for the purchase of land. The lease agreement provides for annual payments of \$25,149 including interest through November 2019.

Water system revolving loan note payable

During 2008, the City entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) for water system improvements in the City. At December 31, 2017, the outstanding loan balance was \$396,013. The loan agreement provides for semiannual payments in the amount of \$20,689, including interest at 3.79%. The debt service requirements of the note payable to KDHE are being serviced through user fees generated by the Water Utility Fund.

The revolving loan will be retired through calendar year 2029. At December 31, 2017 the note consisted of the following:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 26,620	\$ 14,759	\$ 41,379
2019	27,638	13,741	41,379
2020	28,696	12,683	41,379
2021	29,794	11,585	41,379
2022	30,933	10,446	41,379
2023	32,117	9,262	41,379
2024	33,346	8,033	41,379

4. LONG-TERM DEBT (continued)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 34,621	\$ 6,758	\$ 41,379
2026	35,946	5,433	41,379
2027	37,321	4,058	41,379
2028	38,749	2,630	41,379
2029	<u>40,232</u>	<u>1,147</u>	<u>41,379</u>
	<u>\$ 396,013</u>	<u>\$ 100,535</u>	<u>\$ 496,548</u>

Sewer system revolving loan note payable

During 2016, the City entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) for sewer system improvements in the City. At December 31, 2017, the outstanding loan balance was \$421,241. The loan agreement provides for semiannual payments in the amount of \$14,178, including interest at 2.41%. The debt service requirements of the note payable to KDHE are being serviced through user fees generated by the Sewer Utility Fund.

The revolving loan will be retired through calendar year 2036. At December 31, 2017 the note consisted of the following:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 18,314	\$ 10,042	\$ 28,356
2019	18,758	9,598	28,356
2020	19,213	9,143	28,356
2021	19,679	8,677	28,356
2022	20,156	8,200	28,356
2023	20,645	7,711	28,356
2024	21,145	7,211	28,356
2025	21,658	6,698	28,356
2026	22,183	6,173	28,356
2027	22,721	5,635	28,356
2028	23,272	5,084	28,356
2029	23,836	4,520	28,356
2030	24,413	3,943	28,356
2031	25,005	3,351	28,356
2032	25,612	2,744	28,356
2033	26,233	2,123	28,356
2034	26,869	1,487	28,356
2035	27,520	836	28,356
2036	<u>14,009</u>	<u>169</u>	<u>14,178</u>
	<u>\$ 421,241</u>	<u>\$ 103,345</u>	<u>\$ 524,586</u>

5. CAPITAL PROJECT AUTHORIZATIONS

At December 31, 2017 capital project authorizations compared with project expenditures from inception are as follows:

	Project authorizations	Expenditures project inception to December 31, 2017
Northridge Estates Water Improvement Project	\$ 47,300	\$ 46,459

6. OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the City is required to allow retirees to participate in its group health insurance plan. While each retiree is required to pay the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and their eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid entirely by the insured and there is no cost to the City under this program

7. INTERFUND TRANSFERS

A summary of interfund transfers by individual fund for 2017 is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 85,000	\$168,613
Cheney Public Building Commission	53,613	—
Capital Improvement Reserve	35,000	—
Capital Equipment Reserve	50,000	—
Capital Equipment Fire Reserve	30,000	—
Water	—	75,000
Water Maintenance Reserve	40,000	—
Sewer	—	65,000
Sewer Maintenance Reserve	40,000	—
Gas	—	25,000
	<u>\$333,613</u>	<u>\$333,613</u>

8. COMMITMENTS AND CONTINGENCIES

Gas Supply

The City has entered into a contract for the exclusive purchase of gas to ensure the supply of gas available to the City's utility customers. The contract provides that the supplier shall sell and deliver the City's total requirements for gas required for resale in the City's distribution system. Such gas supplies are subject to the vendor's curtailment plan, which is on file with the Kansas Corporation Commission, and other events not within the control of the party to the contract claiming suspension.

Sewer Project Financial Participation

In July 2015, the City entered into an agreement with a local developer to equally share in the cost of engineering and construction of certain sewer system improvements. In May of 2016, the City was awarded a Community Development Block Grant for the cost of the improvements. The grant includes job creation and retention requirements and calls for repayment of the grant, or a portion thereof, if the requirements are not met. The City's portion of the contingent grant repayment is \$184,500.

9. COMPLIANCE WITH KANSAS STATUTES

Management is not aware of any statutory violations occurring in the year ended December 31, 2017.

10. RECLASSIFICATIONS AND COMPARATIVE DATA

The amounts shown for 2016 in the accompanying financial statement are included, where practicable, only to provide a basis for comparison with 2017 and are not intended to present all information necessary for a fair presentation in accordance with the regulatory basis of presentation. Certain amounts for 2016 have been reclassified to conform to the presentation of similar amounts for 2017.

**REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF CHENEY, KANSAS

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
(BUDGETED FUNDS ONLY)**

For the year ended December 31, 2017

	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
General Fund	\$ 2,454,625	\$ -	\$ 2,454,625	\$ 2,312,266	\$ 142,359
Special Purpose Funds:					
Library	66,519	-	66,519	64,725	1,794
Bond and Interest Funds:					
Bond and Interest	193,500	-	193,500	171,622	21,878
Business Funds:					
Water Utility	433,146	-	433,146	400,315	32,831
Sewer Utility	457,025	-	457,025	383,377	73,648
Gas Utility	1,179,500	-	1,179,500	526,566	652,934
Storm Water Utility	50,000	-	50,000	-	50,000

CITY OF CHENEY, KANSAS

GENERAL FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
(continued on next page)**

	Year ended December 31,			Variance Over (Under)
	2016 <u>Actual</u>	2017 <u>Actual</u>	<u>Budget</u>	
Cash receipts:				
Taxes	\$ 810,347	\$ 818,377	\$ 819,306	\$ (929)
Intergovernmental	445,916	447,812	318,413	129,399
Licenses, fees and permits	190,875	198,801	176,850	21,951
Charges for services	666,511	676,947	677,500	(553)
Fines and forfeitures	20,506	25,448	22,000	3,448
Use of money and property	15,983	17,580	24,300	(6,720)
Miscellaneous	48,794	49,631	23,200	26,431
Transfers in	<u>146,880</u>	<u>85,000</u>	<u>85,000</u>	<u>—</u>
Total cash receipts	<u>2,345,812</u>	<u>2,319,596</u>	<u>\$ 2,146,569</u>	<u>\$ 173,027</u>
Expenditures:				
General government:				
Administration:				
Personal services	149,205	163,414	\$ 160,700	\$ (2,714)
Contractual services	48,418	66,245	103,200	36,955
Commodities	5,447	4,175	6,200	2,025
Capital outlay	1,988	9,665	8,000	(1,665)
Transfer out	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>—</u>
Total general government	<u>290,058</u>	<u>328,499</u>	<u>363,100</u>	<u>34,601</u>
Public safety:				
Police department:				
Personal services	375,662	372,510	382,000	9,490
Contractual services	29,316	27,919	30,400	2,481
Commodities	17,685	18,218	27,300	9,082
Capital outlay	<u>36,695</u>	<u>41,429</u>	<u>40,000</u>	<u>(1,429)</u>
Total police department	<u>459,358</u>	<u>460,076</u>	<u>479,700</u>	<u>19,624</u>
Municipal court department:				
Personal services	13,187	14,298	16,600	2,302
Contractual services	17,357	15,021	16,900	1,879
Commodities	<u>412</u>	<u>405</u>	<u>600</u>	<u>195</u>
Total municipal court department	<u>30,956</u>	<u>29,724</u>	<u>34,100</u>	<u>4,376</u>

CITY OF CHENEY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

(continued from previous page)

	Year ended December 31,			
	2017			Variance
	2016			Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Fire department:				
Personal services	\$ 25,044	\$ 25,144	\$ 35,450	\$ 10,306
Contractual services	31,822	26,979	45,850	18,871
Commodities	10,731	8,234	16,300	8,066
Capital outlay	38,432	42,298	30,000	(12,298)
Transfer out	<u>25,000</u>	<u>30,000</u>	<u>30,000</u>	<u>—</u>
Total fire department	<u>131,029</u>	<u>132,655</u>	<u>157,600</u>	<u>24,945</u>
Total public safety	<u>621,343</u>	<u>622,455</u>	<u>671,400</u>	<u>48,945</u>
Highways and streets:				
Street department:				
Personal service	89,529	89,529	99,500	9,971
Contractual services	19,550	26,730	23,550	(3,180)
Commodities	65,996	49,895	83,200	33,305
Capital outlay	<u>138,486</u>	<u>232,519</u>	<u>205,000</u>	<u>(27,519)</u>
	313,561	398,673	411,250	12,577
Street light department:				
Contractual services	<u>33,006</u>	<u>35,459</u>	<u>33,500</u>	<u>(1,959)</u>
Total highways and streets	<u>346,567</u>	<u>434,132</u>	<u>444,750</u>	<u>10,618</u>
Economic development:				
Industrial Development department:				
Contractual services	—	—	2,500	2,500
Commodities	<u>1,449</u>	<u>1,244</u>	<u>2,500</u>	<u>1,256</u>
Total economic development	<u>1,449</u>	<u>1,244</u>	<u>5,000</u>	<u>3,756</u>
Culture and recreation:				
Parks and Pool department:				
Personal services	32,567	31,908	41,250	9,342
Contractual services	11,681	24,202	16,800	(7,402)
Commodities	10,290	8,217	10,550	2,333
Capital outlay	29,441	57,087	70,000	12,913
Debt service	<u>25,149</u>	<u>25,149</u>	<u>—</u>	<u>(25,149)</u>
Total parks and pool department	<u>109,128</u>	<u>146,563</u>	<u>138,600</u>	<u>(7,963)</u>

CITY OF CHENEY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

(continued from previous page)

	Year ended December 31,			Variance Over (Under)
	2016 <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Golf Course department:				
Personal services	\$ 278,847	\$ 287,105	\$ 315,000	\$ 27,895
Contractual services	131,200	113,351	118,350	4,999
Commodities	153,368	132,377	152,900	20,523
Capital outlay	40,723	34,565	8,812	(25,753)
Debt service	39,258	38,730	40,000	1,270
Transfers out	<u>54,613</u>	<u>53,613</u>	<u>53,613</u>	<u>—</u>
Total Golf Course department	<u>698,009</u>	<u>659,741</u>	<u>688,675</u>	<u>28,934</u>
Senior Citizens department:				
Commodities	78	—	100	100
Contractual services	<u>6,323</u>	<u>5,069</u>	<u>6,650</u>	<u>1,581</u>
Total Senior Citizens department	<u>6,401</u>	<u>5,069</u>	<u>6,750</u>	<u>1,681</u>
Total culture and recreation	<u>813,538</u>	<u>811,373</u>	<u>834,025</u>	<u>22,652</u>
Sanitation department:				
Contractual services	<u>112,860</u>	<u>114,563</u>	<u>136,350</u>	<u>21,787</u>
Total expenditures, encumbrances and other uses	<u>2,185,815</u>	<u>2,312,266</u>	<u>\$ 2,454,625</u>	<u>\$ 142,359</u>
Cash receipts over (under) expenditures	159,997	7,330		
Unencumbered cash balance, beginning of year	<u>668,077</u>	<u>828,074</u>	<u>\$ 308,056</u>	<u>\$ 520,018</u>
Unencumbered cash balance, end of year	<u>\$ 828,074</u>	<u>\$ 835,404</u>		

CITY OF CHENEY, KANSAS

LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			Variance Over (Under)
	2016 <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash receipts:				
Taxes	\$ 64,787	\$ 64,725	<u>\$ 64,944</u>	<u>\$ (219)</u>
Expenditures:				
Library Board appropriations	<u>66,176</u>	<u>64,725</u>	<u>\$ 66,519</u>	<u>\$ 1,794</u>
Cash receipts over (under) expenditures	(1,389)	—		
Unencumbered cash balance, beginning of year	<u>2,257</u>	<u>868</u>	<u>\$ 1,575</u>	<u>\$ (707)</u>
Unencumbered cash balance, end of year	<u>\$ 868</u>	<u>\$ 868</u>		

CITY OF CHENEY, KANSAS

GIFTS AND MEMORIALS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	<u>Year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash receipts:		
Donations	\$ 13,385	\$ 17,858
Expenditures:		
Capital outlay	<u>6,933</u>	<u>20,831</u>
Cash receipts over (under) expenditures	6,452	(2,973)
Unencumbered cash balance, beginning of year	<u>6,615</u>	<u>9,588</u>
Unencumbered cash balance, end of year	<u>\$ 13,067</u>	<u>\$ 6,615</u>

CITY OF CHENEY, KANSAS

DIGITAL SIGN FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	<u>Year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash receipts:		
Other Income	\$ 820	\$ 540
Expenditures:		
Contractual Services	<u>713</u>	<u>300</u>
Cash receipts over expenditures	107	240
Unencumbered cash balance, beginning of year	<u>2,648</u>	<u>2,408</u>
Unencumbered cash balance, end of year	<u>\$ 2,755</u>	<u>\$ 2,648</u>

CITY OF CHENEY, KANSAS

DARE PROGRAM FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	<u>Year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash receipts:		
Other Income	\$ 4,009	\$ 2,846
Expenditures:		
Commodities	<u>2,840</u>	<u>3,028</u>
Cash receipts over (under) expenditures	1,169	(182)
Unencumbered cash balance, beginning of year	<u>1,499</u>	<u>1,681</u>
Unencumbered cash balance, end of year	<u>\$ 2,668</u>	<u>\$ 1,499</u>

CITY OF CHENEY, KANSAS

JOINT FIRE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	<u>Year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash receipts:		
Donations	\$ 68,868	\$ —
Expenditures:		
Contractual Services	<u>9,102</u>	<u>—</u>
Cash receipts over expenditures	59,766	—
Unencumbered cash balance, beginning of year	<u>—</u>	<u>—</u>
Unencumbered cash balance, end of year	<u>\$ 59,766</u>	<u>\$ —</u>

CITY OF CHENEY, KANSAS

LWCF GRANT

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	<u>Year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash receipts:		
Other Income	\$ —	\$ —
Expenditures:		
Capital Outlay	<u>19,490</u>	<u>—</u>
Cash receipts over (under) expenditures	(19,490)	—
Unencumbered cash balance, beginning of year	<u>—</u>	<u>—</u>
Unencumbered cash balance, end of year	<u><u>\$(19,490)*</u></u>	<u><u>\$ —</u></u>

* Per K.S.A. 12-1664, the limits of indebtedness may be exceeded by up to 100% of the accrued revenue for intergovernmental grants.

CITY OF CHENEY, KANSAS

WASTE TIRE PLAYGROUND GRANT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	<u>Year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash receipts:		
Grants	\$ 474	\$ —
Expenditures:		
Capital Outlay	<u>474</u>	<u>—</u>
Cash receipts over expenditures	<u>—</u>	<u>—</u>
Unencumbered cash balance, beginning of year	<u>—</u>	<u>—</u>
Unencumbered cash balance, end of year	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

CITY OF CHENEY, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			
		2017		
	2016	Actual	Budget	Variance
	Actual			Over
				(Under)
Revenues:				
Taxes	\$ 27	\$ 34	\$ –	\$ 34
Special assessments	182,983	186,659	197,500	(10,841)
Use of money and property	<u>1,501</u>	<u>1,409</u>	<u>1,000</u>	<u>409</u>
Total cash receipts	<u>184,511</u>	<u>188,102</u>	<u>\$ 198,500</u>	<u>\$ (10,398)</u>
Expenditures:				
Principal	217,320	144,136	\$ 165,000	\$ 20,864
Interest and fiscal charges	<u>30,226</u>	<u>27,486</u>	<u>28,500</u>	<u>1,014</u>
Total expenditures	<u>247,546</u>	<u>171,622</u>	<u>\$ 193,500</u>	<u>\$ 21,878</u>
Cash receipts over (under) expenditures	(63,035)	16,480		
Unencumbered cash balance, beginning of year	<u>138,279</u>	<u>75,244</u>	<u>\$ 88,349</u>	<u>\$ (13,105)</u>
Unencumbered cash balance, end of year	<u>\$ 75,244</u>	<u>\$ 91,724</u>	<u>\$ 93,349</u>	<u>\$ 1,625</u>

CITY OF CHENEY, KANSAS

NORTHRIDGE ESTATES WATER IMPROVEMENT PROJECT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	<u>Year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash receipts:		
Taxes	\$ 1,582	\$ 1,583
Expenditures:		
Capital outlay	<u>—</u>	<u>—</u>
Cash receipts over expenditures	1,582	1,583
Unencumbered cash balance (deficit), beginning of year	<u>(9,920)*</u>	<u>(11,503)</u>
Unencumbered cash balance (deficit), end of year	<u>\$ (8,338)</u>	<u>\$ (9,920)</u>

* — Per K.S.A. 10-1116, the limits of indebtedness may be exceeded when provision has been made for payment by the issuance of bonds or temporary notes.

CITY OF CHENEY, KANSAS

CAPITAL IMPROVEMENT RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	<u>Year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash receipts:		
Interest	\$ 914	\$ 606
Transfers in	<u>35,000</u>	<u>45,000</u>
Total cash receipts	35,914	45,606
Expenditures:		
Capital outlay	<u>—</u>	<u>—</u>
Cash receipts over expenditures	35,914	45,606
Unencumbered cash balance, beginning of year	<u>134,880</u>	<u>89,274</u>
Unencumbered cash balance, end of year	<u>\$170,794</u>	<u>\$134,880</u>

CITY OF CHENEY, KANSAS

CAPITAL EQUIPMENT RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	<u>Year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash receipts:		
Interest	\$ 499	\$ 537
Transfers in	<u>50,000</u>	<u>40,000</u>
Total cash receipts	50,499	40,537
Expenditures:		
Capital outlay	<u>81,171</u>	<u>38,295</u>
Cash receipts over (under) expenditures	(30,672)	2,242
Unencumbered cash balance, beginning of year	<u>104,620</u>	<u>102,378</u>
Unencumbered cash balance, end of year	<u>\$ 73,948</u>	<u>\$104,620</u>

CITY OF CHENEY, KANSAS

CAPITAL EQUIPMENT POLICE RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	<u>Year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash receipts:		
Miscellaneous	\$ 5,382	\$ 4,746
Expenditures:		
Capital outlay	<u>2,820</u>	<u>849</u>
Cash receipts over expenditures	2,562	3,897
Unencumbered cash balance, beginning of year	<u>3,897</u>	<u>—</u>
Unencumbered cash balance, end of year	<u>\$ 6,459</u>	<u>\$ 3,897</u>

CITY OF CHENEY, KANSAS

CAPITAL EQUIPMENT FIRE RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	<u>Year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash receipts		
Interest	\$ 840	\$ 582
Donations	4,704	7,994
Transfer in	<u>30,000</u>	<u>25,000</u>
Total cash receipts	35,544	33,576
Expenditures:		
Capital outlay	<u>3,082</u>	<u>—</u>
Cash receipts over expenditures	32,462	33,576
Unencumbered cash balance, beginning of year	<u>113,797</u>	<u>80,221</u>
Unencumbered cash balance, end of year	<u>\$146,259</u>	<u>\$113,797</u>

CITY OF CHENEY, KANSAS

WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			
		2017		
	2016			Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u> <u>(Under)</u>
Cash receipts:				
Sales of services	\$ 353,848	\$ 362,852	\$ 491,500	\$(128,648)
Interest earnings	2,535	2,490	3,000	(510)
Miscellaneous	<u>5,459</u>	<u>15,289</u>	<u>15,650</u>	<u>(361)</u>
Total cash receipts	<u>361,842</u>	<u>380,631</u>	<u>\$ 510,150</u>	<u>\$(129,519)</u>
Expenditures:				
Personal services	129,771	133,697	\$ 148,300	\$ 14,603
Contractual services	80,294	74,129	80,200	6,071
Commodities	13,772	12,513	18,800	6,287
Capital outlay	4,993	41,794	45,000	3,206
Debt service	23,805	63,182	65,846	2,664
Transfers out	<u>103,440</u>	<u>75,000</u>	<u>75,000</u>	<u>—</u>
Total expenditures	<u>356,075</u>	<u>400,315</u>	<u>\$ 433,146</u>	<u>\$ 32,831</u>
Cash receipts over (under) expenditures	5,767	(19,684)		
Unencumbered cash balance, beginning of year	<u>319,273</u>	<u>325,040</u>	<u>\$ 381,333</u>	<u>\$ (56,293)</u>
Unencumbered cash balance, end of year	<u>\$ 325,040</u>	<u>\$ 305,356</u>	<u>\$ 458,337</u>	<u>\$(152,981)</u>

CITY OF CHENEY, KANSAS

SEWER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			
		2017		
	2016	Actual	Budget	Variance
	Actual			Over
				(Under)
Cash receipts:				
Sales of services	\$ 354,801	\$ 337,829	\$ 469,700	\$(131,871)
Interest earnings	3,062	2,868	3,000	(132)
Miscellaneous	<u>3,495</u>	<u>3,495</u>	<u>3,450</u>	<u>45</u>
Total cash receipts	<u>361,358</u>	<u>344,192</u>	<u>\$ 476,150</u>	<u>\$(131,958)</u>
Expenditures:				
Personal services	156,439	158,095	\$ 182,525	\$ 24,430
Contractual services	31,922	25,332	39,500	14,168
Commodities	9,696	7,140	10,300	3,160
Capital outlay	45,360	20,754	41,000	20,246
Debt service	58,760	107,056	118,700	11,644
Transfers out	<u>103,440</u>	<u>65,000</u>	<u>65,000</u>	<u>—</u>
Total expenditures	<u>403,617</u>	<u>383,377</u>	<u>\$ 457,025</u>	<u>\$ 73,648</u>
Expenditures over cash receipts	(42,259)	(39,185)		
Unencumbered cash balance, beginning of year	<u>420,013</u>	<u>377,754</u>	<u>\$ 434,486</u>	<u>\$ (56,732)</u>
Unencumbered cash balance, end of year	<u>\$ 377,754</u>	<u>\$ 338,569</u>	<u>\$ 453,611</u>	<u>\$(115,042)</u>

CITY OF CHENEY, KANSAS

GAS UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			
		2017		
	2016			Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Cash receipts:				
Sales of services	\$ 404,947	\$ 503,523	\$1,232,000	\$ (728,477)
Interest earnings	1,768	1,421	2,000	(579)
Other	<u>7,630</u>	<u>8,868</u>	<u>6,700</u>	<u>2,168</u>
Total revenues	<u>414,345</u>	<u>513,812</u>	<u>\$1,240,700</u>	<u>\$ (726,888)</u>
Expenditures:				
Personal services	180,385	181,892	\$ 206,300	\$ 24,408
Contractual services	46,533	63,376	70,500	7,124
Commodities	170,124	236,941	816,700	579,759
Capital outlay	3,678	19,357	31,000	11,643
Transfers out	<u>60,000</u>	<u>25,000</u>	<u>55,000</u>	<u>30,000</u>
Total expenditures	<u>460,720</u>	<u>526,566</u>	<u>\$1,179,500</u>	<u>\$ 652,934</u>
Expenditures over cash receipts	(46,375)	(12,754)		
Unencumbered cash balance, beginning of year	<u>164,959</u>	<u>118,584</u>	<u>\$ 252,502</u>	<u>\$ (133,918)</u>
Unencumbered cash balance, end of year	<u>\$ 118,584</u>	<u>\$ 105,830</u>	<u>\$ 313,702</u>	<u>\$ (207,872)</u>

CITY OF CHENEY, KANSAS

STORM WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			Variance Over (Under)
	2016 <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash receipts:				
Sales of services	\$ —	\$ —	\$ 50,000	\$ (50,000)
Expenditures:				
Personal services	—	—	\$ 29,500	\$ 29,500
Contractual services	—	—	10,500	10,500
Capital outlay	—	—	10,000	10,000
Total expenditures	—	—	\$ 50,000	\$ 50,000
Cash receipts over expenditures	—	—		
Unencumbered cash balance, beginning of year	—	—	\$ —	\$ —
Unencumbered cash balance, end of year	\$ —	\$ —	\$ —	\$ —

CITY OF CHENEY, KANSAS

WATER MAINTENANCE RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	<u>Year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash receipts:		
Interest	\$ 1,033	\$ 1,320
Transfers in	<u>40,000</u>	<u>40,000</u>
Total cash receipts	41,033	41,320
Expenditures:		
Capital outlays	<u>—</u>	<u>89,576</u>
Cash receipts over (under) expenditures	41,033	(48,256)
Unencumbered cash balance, beginning of year	<u>144,086</u>	<u>192,342</u>
Unencumbered cash balance, end of year	<u>\$185,119</u>	<u>\$144,086</u>

CITY OF CHENEY, KANSAS

SEWER MAINTENANCE RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	<u>Year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash receipts:		
Interest	\$ 1,155	\$ 1,284
Tansfers In	<u>40,000</u>	<u>30,000</u>
Total cash receipts	41,155	31,284
Expenditures:		
Capital outlay	<u>—</u>	<u>98,893</u>
Cash receipts over (under) expenditures	41,155	(67,609)
Unencumbered cash balance, beginning of year	<u>161,060</u>	<u>228,669</u>
Unencumbered cash balance, end of year	<u>\$202,215</u>	<u>\$161,060</u>

CITY OF CHENEY, KANSAS

GAS MAINTENANCE RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	<u>Year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash receipts:		
Interest	\$ 2,074	\$ 1,652
Transfers In	<u>—</u>	<u>50,000</u>
Total cash receipts	2,074	51,652
Expenditures:		
Capital outlays	<u>—</u>	<u>—</u>
Cash receipts over expenditures	2,074	51,652
Unencumbered cash balance, beginning of year	<u>289,299</u>	<u>237,647</u>
Unencumbered cash balance, end of year	<u>\$291,373</u>	<u>\$289,299</u>

CITY OF CHENEY, KANSAS

CHENEY PUBLIC LIBRARY

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	<u>Year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash receipts:		
Taxes – transfer from City of Cheney	\$ 64,725	\$ 66,176
Grants and donations	20,844	19,814
Fines	2,172	1,917
Interest earnings	201	204
Miscellaneous	<u>2,290</u>	<u>2,366</u>
Total cash receipts	<u>90,232</u>	<u>90,477</u>
Expenditures:		
Personal services	44,406	41,431
Contractual services	14,973	15,265
Commodities	9,823	11,638
Capital outlay	1,026	297
Debt service to City of Cheney	<u>11,561</u>	<u>11,561</u>
Total expenditures	<u>81,789</u>	<u>80,192</u>
Cash receipts over expenditures	8,443	10,285
Unencumbered cash balance, beginning of year	<u>69,862</u>	<u>59,577</u>
Unencumbered cash balance, end of year	<u>\$ 78,305</u>	<u>\$ 69,862</u>

CITY OF CHENEY, KANSAS

CHENEY PUBLIC BUILDING COMMISSION

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	<u>Year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash receipts:		
Transfers in	\$ 53,613	\$ 54,613
Expenditures:		
Debt service	<u>53,613</u>	<u>54,613</u>
Cash receipts over expenditures	—	—
Unencumbered cash balance, beginning of year	<u>—</u>	<u>—</u>
Unencumbered cash balance, end of year	<u>\$ —</u>	<u>\$ —</u>

CITY OF CHENEY, KANSAS

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS – ALL AGENCY FUNDS
REGULATORY BASIS**

Year ended December 31, 2017

	Beginning Cash Balance January 1, <u>2017</u>	Cash Receipts <u></u>	Cash Disbursements <u></u>	Ending Cash Balance December 31, <u>2017</u>
Payroll Clearing Fund	\$ 588	\$ 724,724	\$ 724,725	\$ 587
Agency Fund	2,227	51,942	51,485	2,684
Meter Deposit Fund	<u>39,879</u>	<u>16,377</u>	<u>11,703</u>	<u>44,553</u>
Total	<u>\$42,694</u>	<u>\$ 793,043</u>	<u>\$ 787,913</u>	<u>\$ 47,824</u>